

Message Text

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PAGE 01 STATE 117438
ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 /018 R

DRAFTED BY NEA/INS:JRGRAHAME:JES

APPROVED BY NEA/INS:DKUX

EB/OIA:DSTEBBING

-----212215Z 125380 /66

R 211147Z MAY 77

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: EIND, US, IN

SUBJECT: NATIONALIZATION OF INSURANCE

1. AMERICAN INTERNATIONAL UNDERWRITERS (AIU) 102 MAIDEN LANE, NEW YORK 10005 HAS WRITTEN DEPARTMENT CONCERNING THE SETTLEMENT OF THE 1972 NATIONALIZATION OF THE HANOVER AND NEW HAMPSHIRE INSURANCE COMPANIES. AIU STATES THAT THROUGHOUT THEIR NEGOTIATIONS WITH GOI CONCERNING COMPENSATION FOR NATIONALIZED COMPANIES, THEY STOOD FIRMLY BY THEIR POSITION THAT ANY TAX INCURRED ON THE SETTLEMENT WOULD BE BASED ON THE FORMULA AGREED TO BY INDIA WHEREBY THE SURPLUS FUNDS WOULD BE DEDUCTED FROM THE ACQUISITION AMOUNT AND A 35 PERCENT TAX COULD BE LEVIED ON THAT AMOUNT. THIS POSITION WAS CONSISTENTLY RESERVED IN WRITING. AT THE TIME AIU RECEIVED ITS ACQUISITION AMOUNT, A 35 PERCENT TAX ON THE ENTIRE AMOUNT WAS WITHHELD. AS A RESULT, AIU STATES IT IS NOW DUE 150,000 DOLS.

2. AIU UNDERSTANDS THAT ON APRIL 7 GENERAL INSURANCE CORPO-
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PAGE 02 STATE 117438

RATION OF INDIA (GICI) WROTE THE VARIOUS INSURANCE COMPANIES NATIONALIZED ADVISING THEM THAT, AS THEY HAD NOT APPOINTED AN AGENT TO FILE INCOME TAX RETURNS, THE GOI TAX OFFICER HAS

DECIDED TO TREAT THE GICI AS THEIR AGENT AND HAS REQUESTED GICI TO FILE RETURNS FOR 1974-75. AIU HAS INFORMED GICI BY CABLE THAT THEY HAVE NOT RECEIVED THE CITED LETTER,

THAT THEY WILL FILE THEIR OWN TAX RETURNS AND THAT THEIR POSITION ON THE TREATMENT OF CAPITAL GAINS IS AS DESCRIBED ABOVE.

3. ACTION REQUESTED: PLEASE INFORM GICI THAT: A) AIU HAS NOT RECEIVED THEIR LETTER OF APRIL 7 AND WOULD APPRECIATE RECEIVING COPY; (B) AIU PLANS TO FILE THEIR OWN TAX RETURNS AND (C) AIU STATES THAT THEIR POSITION ON CAPITAL GAINS IS AS DESCRIBED PARA 1. DO EMBASSY RECORDS CORROBORATE AIU AND GOI POSITIONS ON TAX AS SET FORTH IN LETTER? CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, NATIONALIZATION
Control Number: n/a
Copy: SINGLE
Sent Date: 21-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE117438
Document Source: CORE
Document Unique ID: 00
Drafter: JRGRAHAME:JES
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770182-0537
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770531/aaaabayh.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7ce7c58c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2422036
Secure: OPEN
Status: NATIVE
Subject: NATIONALIZATION OF INSURANCE
TAGS: EIND, US, IN
To: NEW DELHI
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7ce7c58c-c288-dd11-92da-001cc4696bcc
Review Markings:
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